

Birmingham City Council

Report to Cabinet

18th January 2022



Subject: Distribution of COVID related grants and reliefs

Report of: Dr Peter Bishop – Director, Digital and Customer Services

Relevant Cabinet Member: Councillor Brigid Jones, Deputy Leader

Relevant O & S Chair(s): Councillor Mohammed Aikhlaq - Resources

Report author: Tim Savill – Assistant Director – Revenues and Benefits

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential :		

1 Executive Summary

1.1 The Government has introduced a number of new measures to support business as a result of the ongoing pandemic. This follows the significant support provided through business grants and rate reliefs in 2020 and 2021. The previous schemes were approved through the emergency processes in place at the Council during the earlier part of the pandemic. As we have not invoked the emergency processes, for the new schemes, formal Cabinet approval is required. The new measures are:

- The Omicron Hospitality and Leisure Grants which were announced by the Government on 21 December 2021.

- A top up grant for the Additional Restrictions Grant scheme (ARG) – this is a top-up to the existing discretionary grant scheme currently in operation.
- The COVID-19 Additional Relief Fund (CARF) – announced in March 2021 but details have been delayed due to the Government legislative process until December 2021.

1.2 Government guidance has been received on 30 December 2021 for both the Covid Restrictions Grant top-up (ARG) scheme rules and the COVID-19 Additional Relief Fund (CARF) scheme rules. The schemes offer valuable support to businesses in Birmingham and link to the corporate priority of Birmingham as an entrepreneurial city to learn, work and invest in.

2 Recommendations

2.1 That Cabinet approve and authorise the distribution and payment of the Omicron Hospitality and Leisure Grants in accordance with the Department of Business, Energy and Industrial (BEIS) scheme guidelines.

2.2 That Cabinet delegate authority to the Deputy Leader, and the Cabinet Member for Finance and Resources, from a report by the Director of Digital and Customer Services, to approve the Additional Relief Grants Fund scheme rules and to authorise the distribution and payment of these grants.

2.3 That Cabinet delegate authority to the Deputy Leader, and the Cabinet Member for Finance and Resources, from a report by the Director of Digital and Customer Services, to approve the Business Rates COVID-19 Additional Relief Fund Policy, scheme rules, and to authorise the award of the relief.

3 Background

3.1 The Council has previously administered a number of COVID related grant schemes and distributed funds to businesses and residents with a Business Rates assessment within the City. All previous grants schemes were authorised whilst the Council was subject to “emergency measures”. As that is currently not the case, Cabinet approval to distribute and pay the latest round of is now required.

3.2 The new schemes have three elements; two grant schemes (mandatory and discretionary) and one scheme for additional business rates relief.

3.3 The Department for Business, Energy and Industrial Strategy (BEIS) have distributed scheme guidance and are fully funding the latest mandatory scheme (called the Omicron Hospitality and Leisure Grant Scheme). Grants of £2,667, £4,000 and £6,000 will be paid to businesses operating in the Hospitality and Leisure sectors subject to the rateable value of the premises they occupy.

3.4 The table below shows the initial estimates of the value of grants and number of eligible businesses:

Business size	Number of businesses	Total value
Lower Grant £2,667 (RV £15k or less)	1,259	£3.4 million
Middle Grant £4,000 (RV £15k-£51k)	672	£2.7 million
Higher grant £6,000 (RV over £51k)	587	£3.5 million
Totals	2,518	£9.6 million

- 3.5 The Government has asked Councils to put in place a process to receive applications (with specified supporting information) for the grants as condition of payment.
- 3.6 As part of the previous COVID response the Government also provided additional grant funding for those businesses that did not meet the mandatory scheme criteria. This Additional Restrictions Grant (ARG) scheme was discretionary and as part of the Omicron response a top up has been awarded. The third top-up of ARG funding allocated to Local Authorities in England from 30 December 2021 will be utilised to support businesses from all sectors that may have been severely impacted by restrictions, or by the Omicron variant, including those outside of the business rates system.
- 3.7 These may include, but are not limited to: hospitality, accommodation, leisure, personal care, the travel and tourism sector, including group travel, travel agents and tour operators, coach operators, wedding industries, nightclubs, theatres, events industries, wholesalers, English language schools, breweries, freelance and mobile businesses (including caterers, events, hair, beauty and wedding related businesses), gyms, and other businesses that may have not received other grant funding. The amount of funding for this scheme has not yet been confirmed.
- 3.8 The ARG scheme will be aligned (subject to funding confirmation) to the mandatory scheme, based on size and amount of the grant. This would be subject to criteria set out in the Policy for payment of the grants.

- 3.9 The Government announced, as part of the Budget in March 2021, that funding would be made available for Local Authorities to award COVID-19 Additional business rates relief to businesses for the 2021-22 tax year only (called the COVID-19 Additional Relief Fund or CARF).
- 3.10 Birmingham City Council is set to receive £30.1 million as relief on business rates liability. The composition of the scheme is discretionary but in order for the Council to be reimbursed for the awarding of the relief the authority must:
- not award relief to ratepayers who for the same period of the relief either are or would have been eligible for the Extended Retail Discount (covering Retail, Hospitality and Leisure), the Nursery Discount or the Airport and Ground Operations Support Scheme (AGOSS)
 - not award relief to a property which is unoccupied (unless unoccupied as a result of government COVID guidance)
 - ensure the support is directed towards customers adversely affected by the pandemic
- 3.11 The Government guidance dictates that local authorities will be responsible for administering the Covid Additional Relief under section 47 of the Local Government Finance Act 1988. This means that Birmingham City Council will need to design a discretionary scheme to deliver the relief, which is a key decision as it affects all wards in the Birmingham area.
- 3.12 The Revenues Team will begin by modelling discretionary schemes with a view to providing a draft policy. Key stakeholders such as The Chamber of Commerce, and Business Improvement Districts (BIDs) will be consulted as part of the policy development.

4 Options considered and Recommended Proposal

- 4.1 There is an urgent need to put in place the support for these businesses in these difficult times. The Omicron Hospitality and Leisure grants and CARF schemes will add a minimum value of over £48 million for businesses within the City.
- 4.2 The need to delegate approval for the ARG and CARF schemes will help to ensure that the support is provided as quickly as possible. At present the Council is still waiting for final government guidelines and funding to be confirmed. Cabinet approval is required to avoid delays in getting the much needed financial support to those business affected.

5 Consultation

- 5.1 The Omicron Hospitality and Leisure Grants are government grants administered and paid by Local Authorities in accordance with BEIS scheme guidelines therefore no consultation is required.

- 5.2 In relation to the ARG and CARF schemes consultation on the scheme rules will take place with the Chamber of Commerce, the City's Business Improvement Districts and any other key stakeholders.
- 5.3 The existing ARG policy and scheme rules have been discussed with the Chamber of Commerce, Business Improvement districts and other key stakeholders.

6 Risk Management

- 6.1 The ARG business grant schemes and Omicron/CARF business rates relief scheme will be administered in accordance with BEIS scheme rules and the discretionary scheme rules agreed by delegation by the Deputy Leader. The Revenues service and the Inclusive Growth grants teams have previous experience of administering these grant and relief schemes.
- 6.2 Processes have been established to ensure pre and post assurance and grant checks are carried out to minimise fraud and error. Sufficient resource has been identified to ensure the grants and reliefs are awarded in an appropriate time scale. BEIS are likely to conduct their own post payment assurance checks, as they have done with previous grant schemes.

7 Compliance Issues:

- 7.1 **How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**
- 7.2 The recommended decision supports making Birmingham a great city to live by providing urgent and important financial support to citizens and businesses within the city during an extremely difficult period of trading helping to safeguard their economic future.

8 Legal Implications

- 8.1 The Omicron Hospitality & Leisure Grants and Additional Restrictions top-up scheme (ARG) are fully funded by Central Government with the Council being fully reimbursed for all grants paid. All Central Government guidance in respect of the schemes will be followed by the Council in the administration of the schemes.

9 Financial Implications

- 9.1 The Omicron Hospitality and Leisure Grant scheme is fully funded by Central Government with the Local Authority being fully reimbursed for all grants paid under section 31 of the Local Government Act 2003.
- 9.2 The Additional Restrictions Grant top-up scheme (ARG) is fully funded by Central Government with the Local Authority being fully reimbursed for all grants paid under section 31 of the Local Government Act 2003.

9.3 The business rates COVID-19 Additional Relief fund scheme (CARF) is fully funded by Central Government with the Local Authority being fully reimbursed for all relief awarded under section 31 of the Local Government Act 2003.

9.4 Additional staffing and resource costs will be covered by new burdens funding by BEIS. The amount of this funding has not yet been confirmed.

10 Procurement Implications (if required)

10.1 N/A

11 Human Resources Implications

11.1 The grant schemes and business rates relief scheme set out in this report will be administered by officers working in the Revenues service and the Inclusive Growth grants teams who have previous experience of administering these grant and relief schemes. The work will be undertaken as an 'Acting Up' into new or existing roles in the service. There are no other HR implications in this report.

12 Public Sector Equality Duty

12.1 EIA has been completed (EQUA818) and did not identify any adverse effects to those with protected characteristics.

13 Appendices

13.1 N/A

14 Background Documents

14.1 Omicron Hospitality and Leisure Grant details:

<https://www.gov.uk/guidance/check-if-youre-eligible-for-the-omicron-hospitality-and-leisure-grant>

14.2 ARG grant details

<https://www.gov.uk/guidance/check-if-youre-eligible-for-the-coronavirus-additional-restrictions-grant>

14.3 CARF relief details

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1041468/CARF_LA_Guidance.pdf